



**METRO**



**Annual  
Operating &  
Capital Budgets**

**Fiscal Year 2001**

**Metropolitan Transit Authority  
Of Harris County**

**Annual Operating and Capital Budgets**

**Fiscal Year 2001**

**METRO**  
**OPERATING AND CAPITAL BUDGETS FY2001**

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# METRO OPERATING AND CAPITAL BUDGETS FY2001

## TECHNICAL NOTES AND FORECASTS

### Technical Notes

1. Section 451.102 of the Texas Transportation Code requires the Board of Directors of the Metropolitan Transit Authority to adopt an annual operating budget which specifies major expenditures by type and amount prior to commencement of a fiscal year. In accordance with the code, the President & Chief Executive Officer has prepared the operating and capital budgets which the Board approved in September 2000. The operating budget for the Metropolitan Transit Authority for fiscal year 2001 (October 1, 2000 -- September 30, 2001) is:

- Operating Budget \$231,344,000

The annual operating budget represents the Board's approved maximum annual expenditure authority to fund the Authority's operating plans.

The capital budget for the Metropolitan Transit Authority for fiscal year 2001 (October 1, 2000 -- September 30, 2001) is:

- Capital Budget \$487,940,000

The annual capital budget represents the Board's approved maximum annual expenditure authority to fund the Authority's capital plans.

2. During FY2000 there were a number of reorganizations including Finance, Information Technology, Planning, Engineering & Construction, and Human Resources. The budgets for FY2000 have been adjusted to make them as comparable as possible to the budgets of FY2001. However, a few anomalies remain. Additionally, there have been adjustments within the FY2000 budget to reflect reallocations of funds to provide for a higher level of services than targeted and to pay for the increase in fuel costs.

3. One of METRO's top priorities is to add bus service to the system. In order to expand transit service faster, METRO has entered into a number of service partnerships with various entities to share the cost of specific bus services. Additionally, METRO has allocated formula and CMAQ grants to fund increases in bus service.

In the FY2001 Operating Budget are the following significant partnerships:

- **Texas Medical Center Shuttle**

METRO has continued and expanded its partnership with the Texas Medical Center to operate a shuttle to move riders from multiple TMC parking lots and other locations to the TMC buildings. For the period October 2000 through January 2001, the TMC will reimburse METRO's full cost at 26.3%. For the period February 2001 through September 2001, TMC will reimburse METRO's full cost at 33.4%.

Total FY2001 TMC cost recovery = \$1,045,455.

- **Special Events** – The following special events are included in the FY2001 Operating Budget:

<u>FY2001 Budgeted Events</u>	<u>Date</u>
Texas Southern Football-Dome*	October 2000
Pulling Finals-Dome*	October 2000
Texaco Grand Prix	October 2000
Greek Festival	October 2000
Wings over Houston Airshow	October 2000
Ghost Bustin' Blowout	October 2000
International Quilt Festival	October 2000
Uptown Holiday Lighting	November 2000
Heights Holiday Tour	December 2000
TREK Uptown Holiday Shuttle	December 2000
GalleryFurniture.com Bowl-Dome*	January 2001
Motor Spectacular-Dome*	January 2001
Dirt Biking Events-Dome*	January 2001
Houston Marathon	January 2001
Monster Jam-Dome*	February 2001
Houston Livestock Show & Rodeo	February 2001
Bayou City Art Festival	March 2001
Wrestlemania*	April 2001
Garden Oaks Home Tour*	April 2001
Enron Earth Day	April 2001

### FY2001 Budgeted Events

### Date

Shell Open	April 2001
Heights Home Tour	April 2001
Sam Houston Racepark	July 2001
Ballunar Liftoff Festival	August 2001
Museum District Day	August 2001
Tour Championship Gold	September 2001

Total FY2001 Special Events partner funds = \$1,786,438.

\*8 new events expected to be added in FY2001

- **HGAC METROVan Program**

METROVan is a partnership with HGAC utilizing CMAQ and other federal program funds to encourage commuters to vanpool (thereby reducing congestion) through the use of a subsidy per rider per month to offset the costs of operating a vanpool. METROVan covers the eight county regions. This program has 236 vans today and is targeted to expand to 290 vans in FY2001, +23%. METRO has added a starter welfare to work component.

Total FY2001 HGAC funds = \$ 1,909,848.

Costs for the following services have been moved to the capital budget to be funded with formula and CMAQ capital funds in accord with provisions of TEA21.

- **Formula Funds – METROLift Service**

TEA21 contains a provision allowing 10% of each year's formula capital grant funds to be used to fund paratransit service. Beginning in FY2000 and continuing in FY2001 METRO has allocated the maximum amount to METROLift. The METROLift costs are transferred to capital and paid from the capital budget in accord with TEA21 provisions. METRO's 20% required local matching share will be "in kind" contributions.

FY2001 formula funds = \$4,695,831.

- **CMAQ Funds – Downtown Trolley Circulators** – On October 4, 1999 METRO ceased operating the Texas Special Routes which were primarily a mid-day service for downtown employees to use for lunch and shopping trips. In its place METRO implemented the Downtown Trolley Circulators – 26 trolleys serving a set of routes in the downtown area from early morning to late night. The trolleys make it easier for people to park in outlying areas and take the trolley to their work sites – relieving some of the congestion during the extensive street construction work now underway. The trolleys also allow people to move around downtown for lunch, dinner and shopping without need to have cars available.

In January 2000, METRO expanded this service by adding 11 trolleys and one new route.

CMAQ funds were used in FY2000 and will be used in FY2001 to fund 100% of the service increase associated with the trolleys. METRO continues to contribute the funds previously allocated to the Texas Special mid-day routes.

Total FY2001 CMAQ funds = \$3,397,661.

- **CMAQ Funds – Texas Medical Center Park & Ride**

The Regional Bus Plan includes the expansion of transit service to secondary activity centers. The largest of such centers is the Texas Medical Center – METRO's second largest trip destination. The Texas Medical Center has a very large expansion plan underway. Additionally, Houston Community College opened in August 2000 a major new educational facility in the TMC area, which is expected to have 1,800 students. Because of these developments, METRO is allocating CMAQ funds for two TMC park & ride services initiated in FY2000: Fuqua to TMC Park & Ride and Addicks to TMC Park & Ride. Use of CMAQ funds allowed METRO to start these RBP projects at an earlier date. The allocation will continue in FY2001.

Total FY2001 CMAQ Funds = \$1,852,887.

- **CMAQ Funds – Enron Field Park & Ride and Shuttle Services**

METRO introduced 2 new services to carry people to the new Enron Field in downtown Houston,

- \* To alleviate potential congestion problems
- \* To address limited close-in parking availability by serving outlying parking lots, and
- \* To offer an alternative to driving downtown for fans who may not be familiar with the area.

The 2 services are the Homerun Express (4 routes) and the Shortstop Shuttle (2 routes). Both services use METRO's Ballpark & Ride facility adjacent to Enron Field for debarking fans going to games and boarding them to go home afterwards.

At the present time, 44 buses are committed to the Homerun Express and 12 buses to the Shortstop Shuttle. However, in the future, METRO may make adjustments to the levels of service on either or both services based on ridership at each of the park & ride facilities and on the downtown shuttle routes.

84 games April - September

Total FY2001 CMAQ Funds = \$1,730,982

- **CMAQ Funds –Fixed Route Service**

In accord with the FY2001-2003 METRO Service Plan the following new services will be implemented in FY2001, provided buses and bus operators are available:

Townsen Park & Ride  
Northline Transit Center  
11/77 NE Restructuring  
46 Gessner Extension  
163 Fondren Extension  
West Road Crosstown

CMAQ funds will be allocated to these services. Additionally, CMAQ funds will continue to be allocated to new services added in FY2000.

Total FY2001 CMAQ Funds = \$9,845,422.



- **Formula Funds – Bus Preventive Maintenance**

TEA21 establishes preventive maintenance expense as permanently eligible for FTA capital assistance under the Section 5307 formula grant program. Per the November 6, 1998 Federal Register, preventive maintenance costs are defined as “all maintenance costs”. In accord with the priorities established by the President & CEO, METRO is allocating additional FTA capital grant funds to maintain METRO’s revenue vehicle fleet. This allocation will increase capital grant support to on-going bus maintenance activities and assure the condition of the buses in service will be at METRO’s standards.

Total FY2001 Formula Funds = \$20,000,000.

4. The FY2001 Operating Budget contains a contingency of \$5,000,000. The purpose of this contingency is to provide management flexibility to deal with uncertainties such as cost increases due to unexpected movement in the market prices for resources and adjustments for quantity variations in the forecast of required resources; to fund service augmentation generated by a growth in ridership that was not forecasted; and to prevent frequent budget adjustment requests to the Board. The authority has a long history of spending the contingency only when necessary and more often than not returns most of it. In FY2000, a large amount of the budget contingency will be needed to fund the unexpectedly large increase in the cost of fuel generated by very high oil prices. It is estimated that \$3.5 million may be needed for fuel increases.

5. The METRO operating budget is compiled as follows (refer to the following chart):

All employee Labor is put into one pool along with all the cost of supporting that labor (e.g. insurance, space, utilities, etc.). Additionally, the direct costs for operating the bus system and the support vehicle fleet are added to the pool (fuel, tires, batteries, etc.). This pool is labeled Total Operating Expenses.

From the pool, METRO allocates costs, on a full cost basis, into four areas:

- Capital = METRO’s labor and support costs to plan, manage, and implement the Capital Improvement Program plus METRO’s labor and support costs for bus service to be funded by formula and CMAQ capital funds. Funded in capital budget.
- Transit = Full cost of operating, maintaining, and securing the bus system including Local, Express, Park & Ride, METROLift, METROVan, Special Events, and Charter less service cost funded in capital budget. Funded in operating budget.

- Traffic Management = Full cost of congestion management activities including operation and enforcement on the HOV System, special event and major activity center traffic management, and METRO's share of the operation of the TranStar facility. Funded in operating budget.
- Expensed Small Capital Purchases = In FY1999 a new element was added to the operating budget which is neither transit nor traffic management. It is labeled "Expensed Small Capital Purchases". Prior to October 1, 1998 any capital purchase with a cost of \$300 or greater was charged to the capital budget, booked to assets and depreciated over the expected life of the asset. This produced a large number of very small items that had to be inventoried and tracked -- a cumbersome and manpower intensive process. Effective October 1, 1998, METRO charges to the capital budget individual capital purchases that have a cost of \$1,000 or greater. This reduces the cost of inventorying, tracking and accounting for small value capital purchases.

From a budgeting point of view, this change in procedure means that "small capital purchases" will be charged to the operating budget instead of the capital budget. Accordingly, the FY1999 and FY2000 Operating Budgets had a new category "Expensed Small Capital Purchases". Its budget was \$200,000 in each year. METRO's internal control procedures for capital purchases between \$300 and \$1,000 remain the same as they were (department submits request to OMB, OMB evaluates request, OMB approves, if justified.) The vast bulk of small capital purchases are for replacement of existing items that are worn out and not worth repairing. (E.g., chairs, cameras, monitors, hand tools, clocks, bulletin boards, etc.)

The category "Expensed Small Capital Purchases" is not rolled into transit operating costs or traffic management operating costs, but is included in the Board-approved operating budget.

The sum of transit, traffic management and expensed small capital purchases equals the operating budget. The cost allocated to capital is combined with contract/purchased services and construction cost to produce total capital project cost = the capital budget. The following chart illustrates how the budgets are compiled and reported.

## Revenues

METRO REVENUE FORECAST (\$000's omitted)		
	FY2000 Estimate	FY2001 Forecast
<b>Operating Income</b>		
Farebox	49,580	51,561
Misc. Operating Income	<u>14,800</u>	<u>10,000</u>
Subtotal Operating Income	64,380	61,561
<b>Non-Operating Income</b>		
Sales Tax Income	350,920	378,994
Interest Income	<u>16,100</u>	<u>10,000</u>
Subtotal Non-Operating Income	367,020	388,994
Capital Grants Revenue-Federal*	<u>87,165</u>	<u>206,708</u>
<b>Total Revenue</b>	<b>518,565</b>	<b>657,263</b>

\* Preliminary Estimate

### NOTES:

1. All revenues are stated in year-of-expenditure dollars.
2. The forecast assumes there will be no fare increase in FY2001. Fare revenues are forecast to increase due to targeted additional riders on the system and an increase in the weighted average fare due to more park & ride riders in the ridership mix.
3. Miscellaneous operating income includes the revenues from the sale of surplus land in FY2000 and the expected defeased lease on METRO facilities in FY2001.
4. Sales tax income is stated on the accrual basis and is based on actual experience for 11 months of FY2000 and Barton Smith's July 2000 METRO forecasts.
5. All grant revenues are project specific and receipt depends on meeting project expenditure schedules reflected in the capital budget.
6. Since October 1994, METRO Special Event Services and Charter Services are offered on a cost reimbursement basis. The recovery of cost is included in the operating budget as a cost reimbursement, not in revenue.

## Cost Effectiveness Performance Goals

Total Bus System	FY2001 Goals
Fare Recovery-Transit	20.0%
Subsidy Per Passenger Mile-Transit	33.4¢
Subsidy Per Boarding-Transit	\$2.02
Cost Per Passenger Mile-Transit	41.7¢
Cost Per Revenue Mile-Transit	\$4.46

### NOTES:

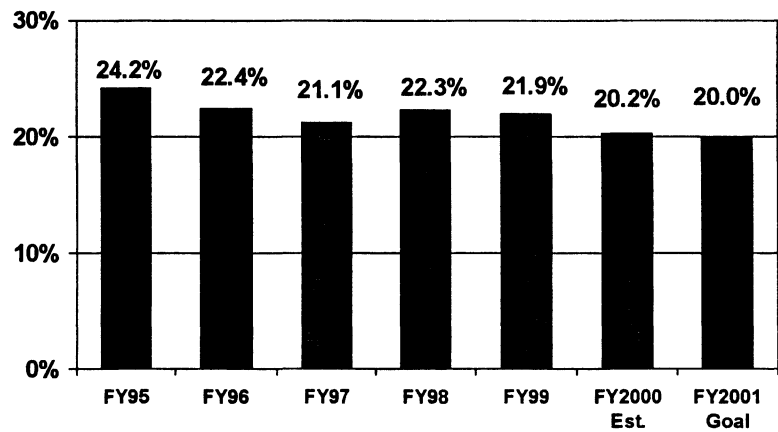
1. All costs are expressed on a cash basis in year-of-expenditure dollars. Depreciation and gain/loss on disposal of fixed assets is not included.
2. Certain partnership funds such as HGAC's CMAQ funds used for METROVan, contributions from special events sponsors, and TMC's contributions to the TMC Shuttle are treated as cost reimbursements. These are reflected as reductions of total operating expenses, not revenues.
3. METRO excludes Traffic Management expenses from total transit costs in these statistics, since such expenses relate to congestion management activities involving automobiles rather than the bus system.
4. The \$5.0 million contingency for FY2001 is excluded from the goals since it may not be expended.
5. Cost Effectiveness & Productivity Definitions.
  - **Fare Recovery Ratio-Transit.** The percentage of transit costs (departmental expenses less cost recoveries) that are paid by passenger fares, including cash fares, pass sales income, route guarantees, and METROLift revenue. This value is calculated by dividing transit fares and revenues by transit costs. It excludes special event cost recovery beginning in FY1995, METROVan cost recovery beginning in FY1998, and CMAQ cost recoveries beginning in FY1999.
  - **Subsidy Per Passenger Mile-Transit.** The net cost borne by taxpayers to move a transit passenger one-mile. It is calculated by subtracting bus revenues from transit costs (departmental expenses less cost recoveries) and then dividing by the number of transit passenger miles.
  - **Subsidy Per Boarding-Transit.** Total transit cost less cost recovery less bus fares equal total transit subsidy. This represents revenues from sales tax, interest income and operating income and grants used to fund the transit system.

Subsidy per boarding is calculated by dividing total subsidy by total transit boardings.

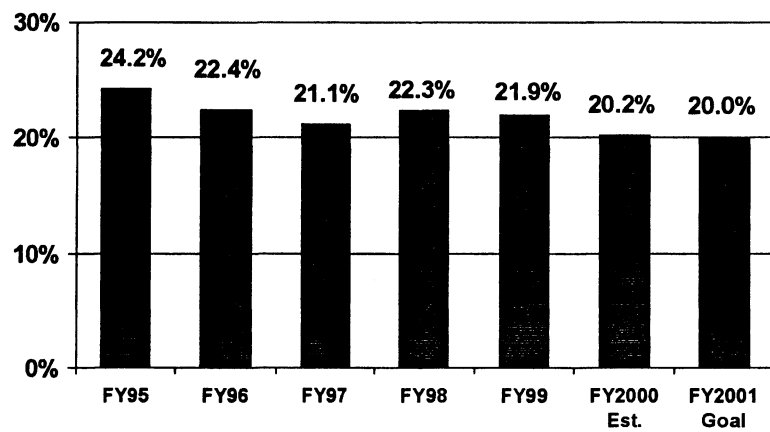
- **Cost Per Passenger Mile-Transit.** The average cost of moving a transit passenger one mile. It is calculated by dividing total transit costs (departmental expenses less cost recoveries) by total transit passenger miles.
- **Cost Per Revenue Vehicle Mile-Transit.** The total cost for providing a unit (revenue mile) of transit service. This value is calculated by dividing the total transit cost (departmental expenses less cost recoveries) by transit revenue miles.

The following bar graphs show a five-year history of each cost effectiveness statistic, the FY2000 estimate and the FY2001 goal. The cost effectiveness statistics are stated in both FY2001 constant dollars (deflating by Barton Smith's July 2000 Houston CPI forecast) and in year-of-expenditure dollars.

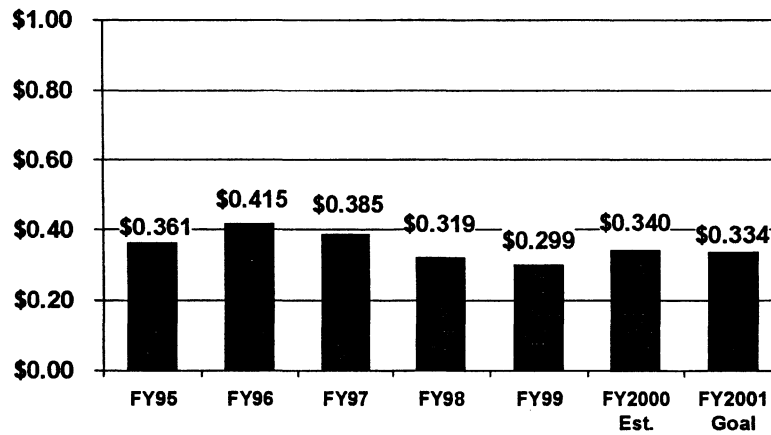
### FARE RECOVERY RATIO - TRANSIT Based on FY2001 Constant Dollars



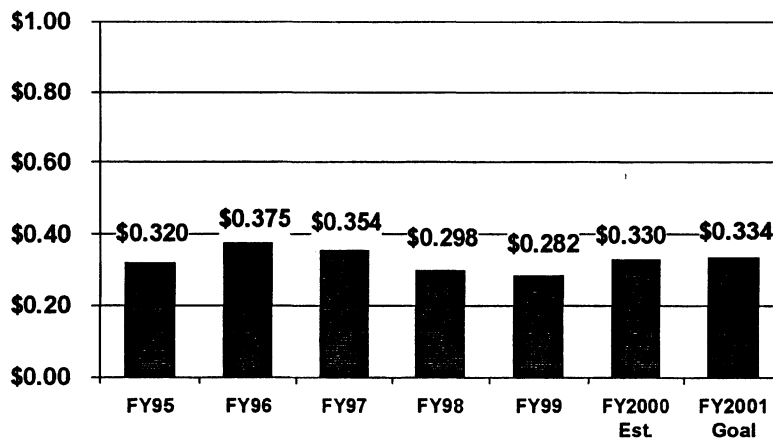
### FARE RECOVERY RATIO - TRANSIT Based on Year of Expenditure Dollars



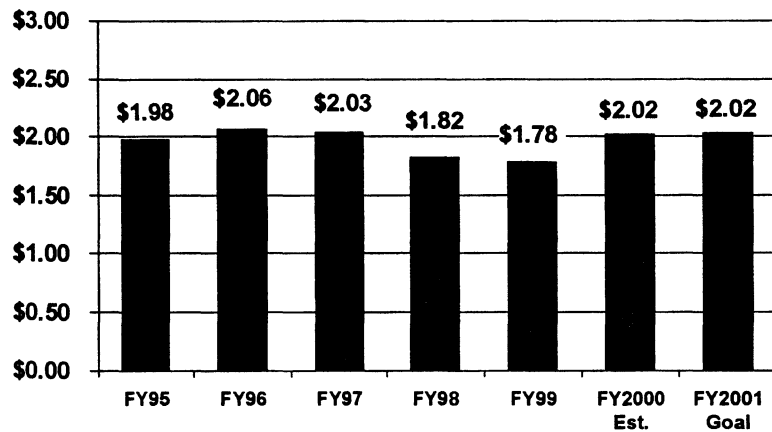
### SUBSIDY PER PASSENGER MILE - TRANSIT Based on FY2001 Constant Dollars



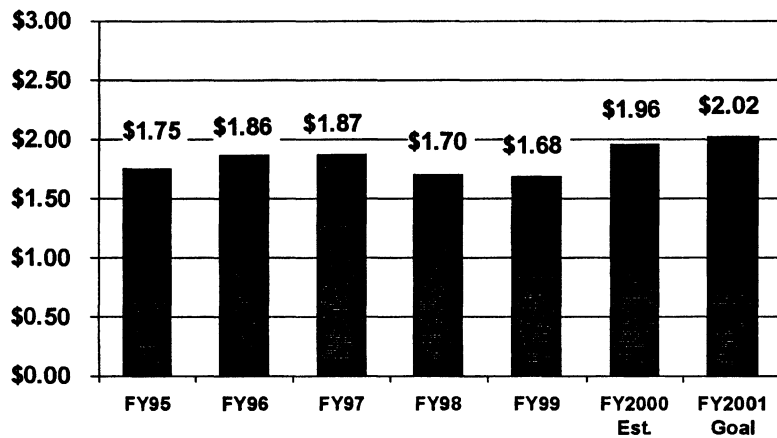
### SUBSIDY PER PASSENGER MILE - TRANSIT Based on Year of Expenditure Dollars



### SUBSIDY PER BOARDING - TRANSIT Based on FY2001 Constant Dollars

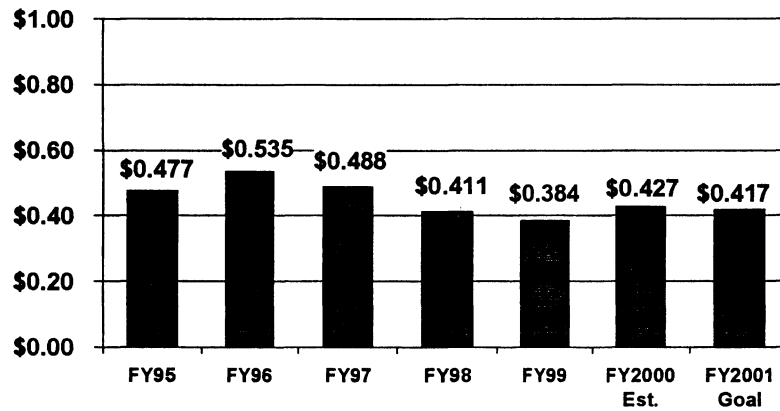


### SUBSIDY PER BOARDING - TRANSIT Based on Year of Expenditure Dollars

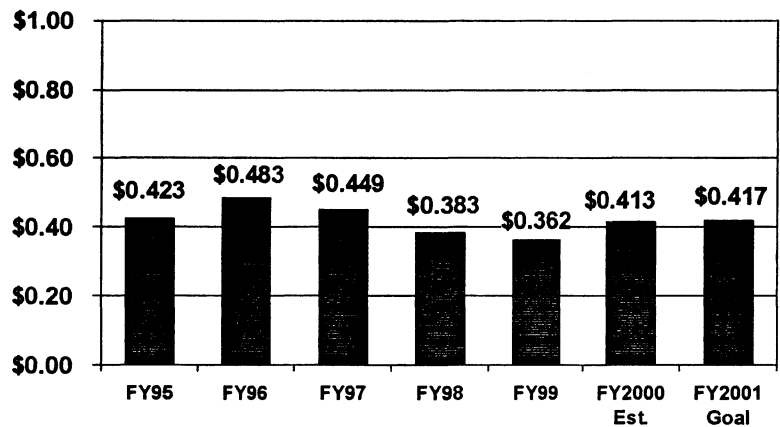




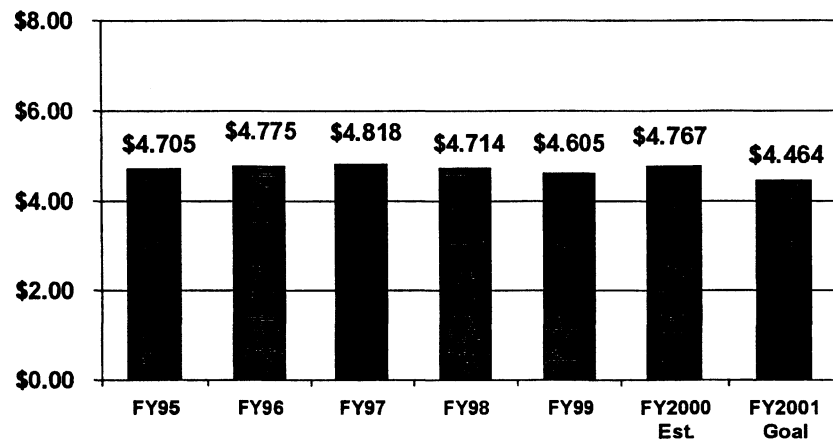
### COST PER PASSENGER MILE - TRANSIT Based on FY2001 Constant Dollars



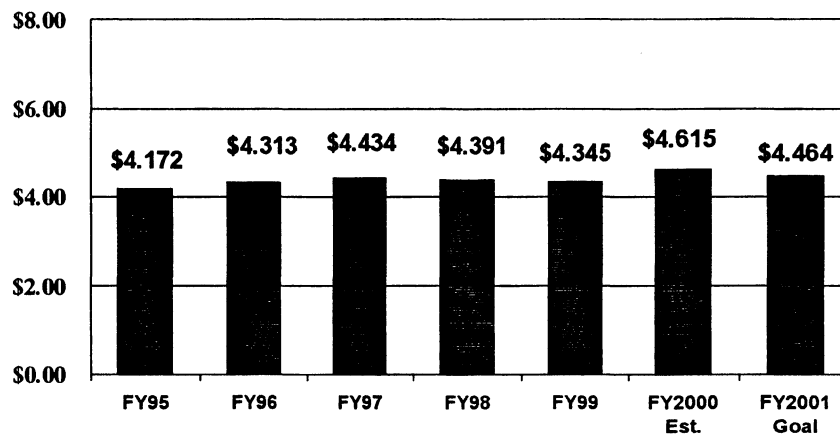
### COST PER PASSENGER MILE - TRANSIT Based on Year of Expenditure Dollars



### COST PER REVENUE MILE - TRANSIT Based on FY2001 Constant Dollars



### COST PER REVENUE MILE - TRANSIT Based on Year of Expenditure Dollars



# OPERATING BUDGET FY2001 AUTHORITY-WIDE

## Overview

- METRO's operating budget for FY2001 is \$231,344,000. Following is a comparison of the FY2001 Operating Budget to the FY2000 Operating Budget.

### Comparison of FY2001 Operating Budget to FY2000 Operating Budget

	<u>In \$ Millions</u>
FY2001 Operating Budget	231.344
Add back capitalization due to formula & CMAQ funds	30.000
Less new service -- +8.4% increase in bus hours	-14.874
Less inflation*	<u>-8.077</u>
Restated FY2001 Operating Budget	238.393
 FY2000 Operating Budget	 244.702
 Calculated net savings from zero-based budgeting	 6.309

\* Per Barton Smith July 2000 forecast for HCPI inflation of 3.3% in FY2001

- The budget will fund an increase in bus service of \$14.874 million including:
  - \* An expansion of 5.6% in fixed route service bus hours.
  - \* An expansion of 19% in METROLift service bus hours.
  - \* An expansion of 53% in special events service bus hours.
  - \* An increase from 236 to 290 vans, +23%, in the METROVan program.

## OPERATING BUDGET FY2001 AUTHORITY-WIDE

### Reductions

- In our zero based budget review, we have achieved \$10.2 million of reductions comprised of hundreds of budget line items across the Authority. Some of the larger items are:

* Elimination of 8 salaried positions in Police & Traffic Management after effective reallocation of police positions and elimination of 4 salaried positions in Planning, Engineering & Construction through reorganization. Reduction of salaries & fringe benefits.	\$0.694	million
* Improved operating efficiencies in preventive maintenance and heavy repair decreases labor requirements. Reduction of wages & fringe benefits.	2.020	million
* Improved operating efficiencies in bus operations, through reduced relief and modified duty work. Reduction of wages & fringe benefits.	2.970	million
* 486 new buses in FY2000 and FY2001 reduces material and parts requirement plus improved efficiencies in Preventive Maintenance operations.	0.990	million
* Increased recoveries on warranty parts on the new buses also reduce cost.	0.330	million
* Reduced material cost in remanufacturing of bus components through improved efficiencies.	0.640	million
* Bulk purchasing and product standardization reduces cleaning costs for buses and facilities.	0.216	million
* Printing costs are reduced through use of alternative methods of information dissemination.	0.223	million
* Reduction in the use of temporary labor by 34.3% through filling permanent positions.	0.233	million
* Increased cost recoveries.	<u>1.899</u>	million
<b>Net reductions to operating budget</b>	<b>\$10.215</b>	<b>million</b>

# **OPERATING BUDGET FY2001 AUTHORITY-WIDE**

## **Additions - New Service**

	<u><b>Increase in Cost*</b></u>
• Impact on FY2001 for new fixed route service implemented throughout FY2000, represents a 3% increase in bus hours over FY2000.	5.014 mil
• New fixed route service expansion scheduled for implementation throughout FY2001 represents a 2.6% increase in bus hours over FY2000.	4.321 mil
• In December 1998, the Board approved a three-year plan for METROLift service expansion. The FY2001 impact for this service expansion represents a 19% increase in METROLift hours.	2.727 mil
• Special Events is budgeted for a 53% increase in service: due to the expansion of bus service for the Rodeo, +37% increase in bus hours; and adding an expected 8 new special events in FY2001, +16% increase in bus hours.	2.306 mil
• METROVan is scheduled for a service expansion of 54 vans (from 236 to 290) or a 23% increase; and has added a starter welfare to work component.	<u>0.506 mil</u>
<b>Total New Service</b>	<b>14.874 mil</b>

\*NOTE: Increase in cost of new service before cost recoveries.

## OPERATING BUDGET FY2001 AUTHORITY-WIDE

### Additions – Other Than New Service

- The major additions to the budget in addition to the service covered on the preceding schedule are as follows:

#### Labor:

* Increase in wages and benefits due to the June 1999 union agreement.	\$2.510	million
* Increase in salaries and benefits due to the performance incentive program and annualization of vacancies in FY2000.	2.701	million
* Addition of 25 apprentices to provide future bus and rail mechanic staffing, wages and benefits.	0.596	million
* Increased overtime for police to cover the increase in special events and holiday coverage.	0.165	million

#### Non-Labor:

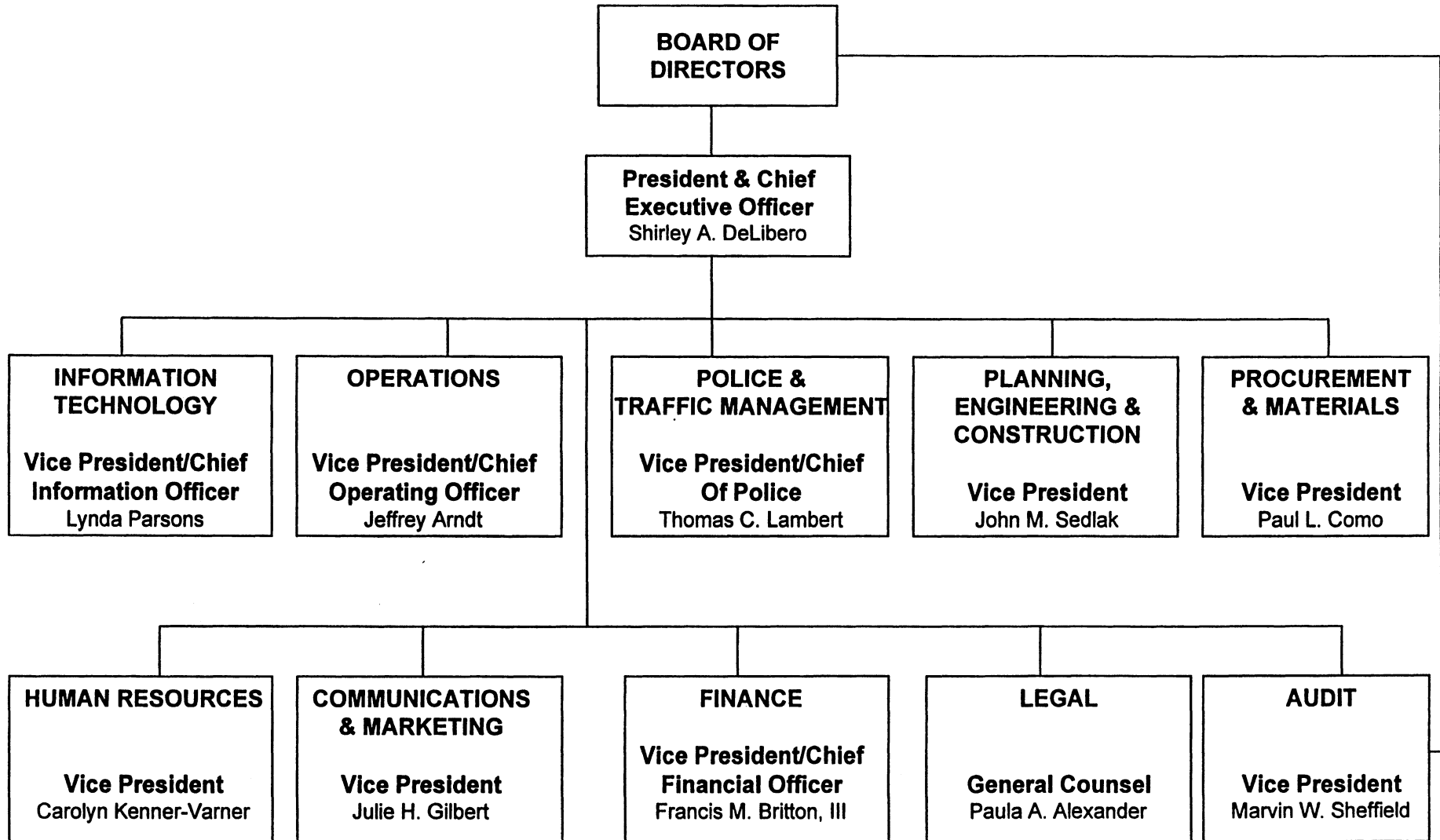
* Annual rate increase in First Transit Northwest BOF and METROLift contracts.	1.287	million
* Increase in advertising to enhance METRO's ability to increase ridership – heavy focus on local service.	1.148	million
* Increase in administrative office rent due to lease rate increase in May 2000.	0.316	million
* Increase in telecommunications cost due to inflation (new contract) and increased usage.	0.315	million
* Increase in medical costs for retirees due to increase in the number of retirees in FY2000 and inflation.	0.253	million
* Additional funds to cover a reduction in the diesel fuel state tax rebate. Reduction is due to change in the timing of the receipt of the rebate.	0.167	million
* Increase in contract services to support bus operator hiring campaign.	0.117	million
* Anticipated electric rate increase, plus new Park and Ride, Townsen, and new Transit Center, Northline.	0.116	million

**OPERATING BUDGET FY2001  
AUTHORITY-WIDE**

**Additions – Other Than New Service**

* Increased legislative coordination for the State legislature session in FY2001.	<u>0.100</u>	million
<b>Net additions to operating budget</b>	<b>\$9.791</b>	<b>million</b>

## BOARD OF DIRECTORS EXECUTIVE MILLENNIUM TEAM





# PROPOSED OPERATING BUDGET FY2001

## MANPOWER SUMMARY AUTHORITY TOTAL

	FY2000		FY2001	
	Auth.	FTE	Auth.	FTE
Operations				
Operations Full-time	2,761	2,879.7	2,863	2,977.6
Operations Part-time	98	36.9	108	53.5
Planning, Engineering & Construction	161	151.1	157	157.0
Police/Traffic Management				
Police/Traffic Management Full-Time	254	238.1	246	245.4
Police/Traffic Management Part-Time	19	18.5	19	19.0
Procurement & Materials	125	111.2	125	125.0
Human Resources	41	36.0	41	41.0
Communications & Marketing				
Communications & Marketing Full-time	97	79.4	97	97.0
Communications & Marketing Part-time	3	2.3	3	2.4
Information Technology	59	53.0	59	59.0
Finance	142	130.0	142	140.0
Legal	9	9.0	9	9.0
Audit	15	14.5	15	15.0
Executive Office	5	4.8	5	5.0
<b>Total Full-time</b>	<b>3,669</b>	<b>3,706.8</b>	<b>3,759</b>	<b>3,871.0</b>
<b>Total Part-time</b>	<b>120</b>	<b>57.7</b>	<b>130</b>	<b>74.9</b>

Auth. = Number of authorized full-time and part-time positions at the end of the year.

FTE = Full-time equivalent employees in person years for the total fiscal year.

\* Part-time personnel work varied hours up to 32 hours per week.

# METRO TOTAL OPERATING BUDGET FY2001

## TOTAL AUTHORITY

EXPENSES BY COST CATEGORY	FY2000 BUDGET	FY2001 BUDGET	CHANGE FY2000 - FY2001	
			\$	%
<b>LABOR</b>				
WAGES	98,542,499	101,100,726	2,558,227	2.60%
SALARIES	50,584,410	53,099,215	2,514,805	4.97%
FRINGE BENEFITS	47,456,227	48,894,439	1,438,212	3.03%
<b>TOTAL LABOR</b>	<b>196,583,136</b>	<b>203,094,380</b>	<b>6,511,244</b>	<b>3.31%</b>
<b>NON-LABOR</b>				
PURCHASED TRANSPORTATION	36,241,934	43,964,938	7,723,004	21.31%
SERVICES	12,602,971	14,464,693	1,861,722	14.77%
MATERIALS AND SUPPLIES	27,926,371	27,247,521	-678,850	-2.43%
UTILITIES	3,232,335	3,550,068	317,733	9.83%
CASUALTY AND LIABILITY	2,011,924	2,074,912	62,988	3.13%
TAXES	2,362,200	2,601,658	239,458	10.14%
LEASES, RENTALS AND MISC.	5,789,074	5,857,959	68,885	1.19%
<b>TOTAL NON-LABOR</b>	<b>90,166,809</b>	<b>99,761,749</b>	<b>9,594,940</b>	<b>10.64%</b>
<b>TOTAL LABOR AND NON-LABOR</b>	<b>286,749,945</b>	<b>302,856,129</b>	<b>16,106,184</b>	<b>5.62%</b>
<b>LESS: COST REIMBURSEMENTS</b>	<b>2,843,171</b>	<b>4,741,741</b>	<b>1,898,570</b>	<b>66.78%</b>
<b>NET OPERATING EXPENSES</b>	<b>283,906,774</b>	<b>298,114,388</b>	<b>14,207,614</b>	<b>5.00%</b>
<b>CONTINGENCY</b>	<b>0</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>N/A</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>283,906,774</b>	<b>303,114,388</b>	<b>19,207,614</b>	<b>6.77%</b>

ALLOCATED EXPENSES BY FUNCTION	FY2000 BUDGET	FY2001 BUDGET	CHANGE FY2000 - FY2001	
			\$	%
TRANSIT	234,476,321	216,365,101	-18,111,220	-7.72%
TRAFFIC MANAGEMENT	10,025,195	9,778,826	-246,369	-2.46%
EXPENSED SMALL CAPITAL	200,000	200,000	0	0.00%
CONTINGENCY	0	5,000,000	5,000,000	N/A
<b>SUB-TOTAL OPERATING BUDGET</b>	<b>244,701,516</b>	<b>231,343,927</b>	<b>-13,357,589</b>	<b>-5.46%</b>
<b>CAPITAL</b>	<b>39,205,258</b>	<b>71,770,461</b>	<b>32,565,203</b>	<b>83.06%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>283,906,774</b>	<b>303,114,388</b>	<b>19,207,614</b>	<b>6.77%</b>

## TECHNICAL NOTES AND PROGRAM SUMMARY

### Technical Notes

1. In February 1992, the METRO Board of Directors adopted the Community Transportation Program including the Regional Bus Plan. Since that time the Board has approved a number of program adjustments – adding projects & revising schedules in accord with priorities. The Fiscal 2001 Capital Budget represents the level of Board-authorized capital expenditure authority required to continue implementation of the General Mobility Program, the Regional Bus Plan, the Light Rail Project, the Advanced Transit Plan (2020), transitway facilities, bus procurements and support equipment and facilities.

The capital budget for the Metropolitan Transit Authority for fiscal year 2001 (October 1, 2000 – September 30, 2001) is:

- Capital Budget \$487,940,000

2. The following capital projects are scheduled to be completed in FY2001.

#### General Mobility Program

- \* City of Houston Projects
  - Alameda-Genoa: Alameda to SH288
  - Fulton: Crosstimbers to Lyerly
  - Gessner: Clay to Hempstead
  - Hidalgo Phase III: Chimney Rock to Fountainview
  - Hidalgo: South Rice to Chimney Rock
  - N. MacGregor (In Hermann Park)
  - Sidewalk/Hike & Bike Trail Program (Extended)
  - Signal System Installation Program
  - Transit/Neighborhood Streets
  - Victory: Maxroy to T.C. Jester
- \* Harris County Projects
  - Airport: MLK to Cullen
  - Cutten Road: FM 1960 to Louetta
  - Huffmeister: US 290 to Cypress Creek
  - Townsen Blvd: Grade Separation & North Houston Avenue (East)
  - Townsen Blvd: US 59 to FM 1960 (West)
  - West Lake Houston Parkway: FM 1960 to Beltway 8 (West Blvd)

- \* Multi-Cities Projects
  - Independence Blvd.: FM 2234 to FM 1092
  - Memorial Drive: Duchesne to Voss
  - Pifer: Beinhorn to Bridgewood
  - Sidewalk/Hike & Bike Trail Program (Extended)

#### Regional Bus Plan

- \* Texas Medical Center Streets-Fannin
- \* Katy CBD Ramp
- \* Townsen Park & Ride
- \* West Loop Park & Ride Modifications
- \* Southeast Transit Center Modifications

#### Advanced Transit Plan

- \* Katy HOV diamond lanes
- \* IH-610/Kelley Street HOV bypass

#### HOV and Related Facilities

- \* Bay Area Park & Pool Expansion
- \* Addicks Park & Ride Phase I/II Expansion
- \* Northline Transit Center

#### Buses and Support Facilities

- \* Acquisition of 336 40-foot New Flyer buses completing the 486 bus procurement (part in RBP, part in Bus Acquisitions).
- \* Polk BOF Expansion

**CAPITAL BUDGET FY2001  
SUMMARY BY PROGRAM  
(\$000 omitted)**

	<b>FY2001 Capital Budget</b>
General Mobility Program	102,422
Regional Bus Plan	180,631
Advanced Transit Plan	27,747
HOVs & Related Facilities	18,226
Buses & Support Facilities	133,178
Transit Mobility/Development Fund, Land & Contingency	25,736
<b>Total Capital Budget</b>	<b>487,940</b>

**CAPITAL BUDGET FY2001  
PROJECT LISTING  
(\$000 omitted)**

**FY2001  
BUDGET**

**GENERAL MOBILITY PROGRAM**

**CITY OF HOUSTON PROJECTS**

ALMEDA-GENOA: ALMEDA TO SH 288	2,800
CITY OF HOUSTON INFRASTRUCTURE PROGRAM	17,500
CLAY RD: SH 6 TO ADDICKS RESERVOIR	4,800
DESIGNATED PROJECTS FOR CITY OF HOUSTON	10,000
FULTON: CROSSTIMBERS TO LYERLY	1,900
FUQUA: CAMPDEN HILL TO S. BELT (RIDGE CREEK)	1,700
FUTURE CITY OF HOUSTON PROJECTS	9,093
GESSNER: CLAY TO HEMSTEAD	4,481
HIDALGO PHASE III: CHIMNEY ROCK TO FOUNTAINVIEW	298
HIDALGO: SOUTH RICE TO CHIMNEY ROCK	936
KIRKWOOD: ALIEF-COLDINE TO BISSONNET	2,000
NORTH MACGREGOR (IN HERMANN PARK)	1,750
SEWALK / HIKE & BIKE TRAIL PROGRAM (EXTENDED)	3,513
SIGNAL SYSTEM INSTALLATIONS	279
TRANSIT NEIGHBORHOOD STREETS	409
VICTORY: MAXROY TO T.C. JESTOR	670
GESSNER @ IH10 INTERSECTION IMPROVEMENTS	584

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**62,713**

**HARRIS COUNTY PROJECTS**

AIRPORT: MLK TO CULLEN	102
ALDINE WESTFIELD: BELTWAY 8 TO FM 1960	6,245
CUTTEN ROAD: FM 1960 TO LOUETTA	31
HARRIS COUNTY INFRASTRUCTURE PROGRAM	4,732
HUFFMEISTER: US 290 TO CYPRESS CREEK	2,465
OREM: ALMEDA TO TELEPHONE	1,400
SPACE CENTER / GENOA RED BLUFF	5,000
TOWNSEN BLVD: G/S & NORTH HOUSTON AVENUE (EAST)	167
TOWNSEN BLVD: US 59 TO FM 1960 (WEST)	442
W. LAKE HOUSTON PRKWY: FM 1960 TO BELTWAY 8 (WEST BLVD)	1,900
W. LAKE HOUSTON PRKWY: FM 1960 TO BELTWAY 8 (EAST BLVD)	862

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**23,346**

**CAPITAL BUDGET FY2001**  
**PROJECT LISTING**  
**(\$000 omitted)**

	<b>FY2001 BUDGET</b>
<b>MULTI-CITIES PROJECTS</b>	
CONGESTION MITIGATION PROGRAM - BELLAIRE	801
CONGESTION MITIGATION PROGRAM - BUNKER HILL VILLAGE	129
CONGESTION MITIGATION PROGRAM - EL LAGO	127
CONGESTION MITIGATION PROGRAM - HEDWIG VILLAGE	749
CONGESTION MITIGATION PROGRAM - HILSHIRE VILLAGE	99
CONGESTION MITIGATION PROGRAM - HUMBLE	4,509
CONGESTION MITIGATION PROGRAM - HUNTERS CREEK VILLAGE	150
CONGESTION MITIGATION PROGRAM - KATY	1,950
CONGESTION MITIGATION PROGRAM - MISSOURI CITY	1,125
CONGESTION MITIGATION PROGRAM - PINEY POINT VILLAGE	131
CONGESTION MITIGATION PROGRAM - SOUTHSIDE PLACE	148
CONGESTION MITIGATION PROGRAM - SPRING VALLEY	154
CONGESTION MITIGATION PROGRAM - TAYLOR LAKE VILLAGE	125
CONGESTION MITIGATION PROGRAM - WEST UNIVERSITY PLACE	259
 INDEPENDENCE BLVD: FM 2234 TO FM 1092	 300
MEMORIAL DRIVE: DUCHESNE TO VOSS	1,000
PIFER: BEINHORN TO BRIDGEWOOD	50
SIDEWALK / HIKE & BIKE TRAIL PROGRAM (EXTENDED)	93
	<hr/> 11,899
 <b>HARRIS COUNTY / MULTI-CITIES PROJECTS</b>	
FUTURE HARRIS COUNTY / MULTI-CITIES PROJECTS	3,639
 <b>AREA-WIDE PROGRAMS</b>	
FREEWAY INCIDENT MANAGEMENT PROGRAM	820
PAVEMENT MANAGEMENT PROGRAM	5
	<hr/> 825
 <b>TOTAL GENERAL MOBILITY PROGRAM</b>	 102,422

**CAPITAL BUDGET FY2001  
PROJECT LISTING  
(\$000 omitted)**

	<b>FY2001 BUDGET</b>
<b><u>REGIONAL BUS PLAN</u></b>	
ENGINEERING/ENVIRONMENTAL	1,070
DOWNTOWN TRANSIT CENTER	275
DOWNTOWN/MIDTOWN TRANSIT STS	43,802
SOUTH MAIN/TMC TRANSIT STS-FANNIN	1,968
SOUTH MAIN/TMC-TRANSIT AMENITIES	1,533
TEXAS MEDICAL CENTER TC	363
KATY/CBD RAMP	4,626
NWTC/INNER KATY CONNECTOR	203
EASTEX HOV LANE EXT. TO KINGWOOD	2,127
EASTEX HOV RAMP AT TOWNSEN P&R	1,080
EASTEX HOV TERMINUS AT KINGWOOD	1,138
TOWNSEN PARK & RIDE	1,649
UH/TSU TRANSIT CENTER	47
WEST LOOP P& R MODIFICATIONS	3,553
SOUTHEAST TC MODIFICATIONS	1,250
5TH WARD/DENVER HARBOR TC MODS.	373
MAGNOLIA TC MODIFICATIONS	111
EASTWOOD TRANSIT CENTER MODS.	475
COMPUTERIZED TELE. INFO. SYSTEM	429
GEOGRAPHIC INFORMATION SYSTEM	279
REGIONAL COMPT. TRF. SIGNAL SYSTEM	16,596
BUS ACQUISITIONS	13,194
REAL ESTATE ACQUISITIONS	2,040
LIGHT RAIL TRANSIT	82,450
<b>TOTAL REGIONAL BUS PLAN</b>	<b>180,631</b>



**CAPITAL BUDGET FY2001  
PROJECT LISTING  
(\$000 omitted)**

	<b>FY2001 BUDGET</b>
<b><u>ADVANCED TRANSIT PLAN</u></b>	
ATP2020 - FEDERAL COMPONENT	
NEW START - BUS	
WESTCHASE P&R CONSTR.	2,000
CLEAN ENGINE FUEL PROGRAM	3,700
GULFGATE TC	3,240
HOBBY TC	1,200
NORTHWEST STATION P&R EXP.	4,461
SYSTEMWIDE BIKE RACKS	1,500
NEW START - HOV PROGRAM	
KATY TRANSIT IMPROVEMENTS	904
	<hr/> <b>17,005</b>
ATP2020 - LOCAL COMPONENT	
KATY HOV DIAMOND LANES	236
EASTEX HOV - CBD TO GREENS	1,159
KELLY STREET HOV BYPASS	100
DOWNTOWN SUPERSTOP	4,500
TRANSIT STREETS	3,427
SYSTEM ACCESSIBILITY	1,320
	<hr/> <b>10,742</b>
 <b>TOTAL ADVANCED TRANSIT PLAN</b>	 <b>27,747</b>

**CAPITAL BUDGET FY2001  
PROJECT LISTING  
(\$000 omitted)**

	<b>FY2001 BUDGET</b>
<b><u>HOVS AND RELATED FACILITIES</u></b>	
SOUTHWEST TRANSITWAY	
SEGMENT V-A	2,825
SEGMENT V-B	63
	<hr/> 2,888
TRANSITWAY MODERNIZATION	
T-RAMP CONTROL SIGNALS	2,172
SLIP RAMP CLOSURE DEVICES	5,893
SIGN STANDARDIZATION	1,030
GEOMETRIC IMPROVEMENTS	318
HOV MODERNIZATION (Transtar Integration)	1,227
HOV REHABILITATION	790
	<hr/> 11,430
P & R AND TRANSIT CENTERS	
BAY AREA PARK & POOL	278
ADDICKS P&R 2nd EXP PH 1	409
ADDICKS P&R 2nd EXP PH 2	1,439
NW. STATION P&R EXP. (L & D)	171
NORTHLINE TRANSIT CENTER	1,611
	<hr/> 3,908
 <b>TOTAL HOVS &amp; RELATED FACILITIES</b>	 <b>18,226</b>
 <b><u>BUSES AND SUPPORT FACILITIES</u></b>	
PASSENGER SHELTERS	
REGULAR SHELTERS	1,430
SPECIAL SHELTERS AND BUS STOP LIGHTING	230
	<hr/> 1,660
REVENUE VEHICLES	
BUS ACQUISITIONS	71,617
BUS IMPROVEMENTS (WITH IVOMS)	6,360
	<hr/> 77,977

**CAPITAL BUDGET FY2001  
PROJECT LISTING  
(\$000 omitted)**

	<b>FY2001 BUDGET</b>
<b>OPERATING FACILITIES AND UPGRADES</b>	
BUS OPERATING FACILITIES	
POLK BOF-EXPANSION PHASE 1	1,339
ADMIN OFFICE BUILDING	470
FACILITY UPGRADES	23,106
	<b>24,915</b>
<b>SUPPORT EQUIPMENT AND SYSTEMS</b>	
SUPPORT VEHICLES	3,258
COMMUNICATIONS	3,996
TOOLS & EQUIPMENT	1,501
INFORMATION TECHNOLOGY	16,000
FURNITURE & EQUIPMENT	700
LEASEHOLD IMPROVEMENT	253
INTELLIGENT TRANSPORTATION SYS	1,943
CAPITAL EDUCATION CAMPAIGN	975
	<b>28,626</b>
<b>TOTAL BUSES AND SUPPORT FACILITIES</b>	<b>133,178</b>
<b><u>TRANSIT MOBILITY PROGRAM</u></b>	
BUS PADS / BUS LANES	254
CURB CUTS / INTERSECTION IMPROVEMENTS	563
RCTSS - CMAQ FUNDED	2,048
<b>TOTAL TRANSIT MOBILITY PROGRAM</b>	<b>2,865</b>
<b><u>DEVELOPMENT FUND, LAND &amp; CONTINGENCY</u></b>	<b>22,871</b>
<b><u>TOTAL CAPITAL IMPROVEMENT PROGRAM</u></b>	<b>487,940</b>

A RESOLUTION

APPROVING AND ADOPTING THE FISCAL YEAR 2001 OPERATING AND CAPITAL BUDGETS FOR THE METROPOLITAN TRANSIT AUTHORITY; AND MAKING FINDINGS AND PROVISIONS RELATIVE TO THE SUBJECT.

WHEREAS, Section 451.103, Texas Transportation Code, requires the Board of Directors of the Metropolitan Transit Authority to adopt an annual budget which specifies major expenditures by type and amount prior to commencement of the fiscal year; and

WHEREAS, the President & CEO has prepared and submitted recommended operating and capital budgets for fiscal year 2001; and

WHEREAS, the public hearing regarding the recommended budgets has been duly noticed, held and the testimony received considered;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN TRANSIT AUTHORITY THAT:

Section 1. The recommended budgets are hereby adopted for fiscal year 2001 with total expenditures authorized being:

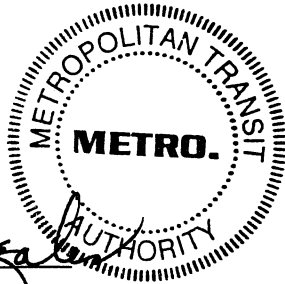
Operating Budget	\$231,344,000.00
Capital Budget	\$487,940,000.00

Section 2. The President & CEO is hereby authorized to take any and all actions necessary and reasonable to implement the operating budget and the capital budget, including the transfer of funds between budget accounts as may be necessary.

Section 3. This resolution is effective immediately upon passage.

PASSED this 21<sup>st</sup> day of September, 2000  
APPROVED this 21<sup>st</sup> day of September, 2000

ATTEST:



  
Assistant Secretary

  
Robert D. Miller  
Chairman